that he realises a profit at the rate of £1 18,v. per annum on his actual *£1.0* invested, or 19 per cent. As many hunters of fortune will endeavour to obtain a share in this advantage the price will rise until practical equivalence between the two rates of remuneration bo reached : the speculator will sell at the increased price, discharge his advance and realise a profit. (The case here cited as part of the trade of speculation is furnished, not as an example to imitate, but simply as an explanation of one of the modes in which an advance in the value of stocks can be artificially and fictitiously created—fictitiously, I mean, as not determined, in the operation 1 have described, by their intrinsic merit as embodied in a genuine demand.)

It will frequently be found, as has been said, that at a period of high prices of securities any funds awaiting investment can be best utilised for the time by deposit, but as deposits do not constitute a fitting form for the disposal of money for any lengthened time, the investor, if the continuance of excessive values appears to bo likely to endure, Bhould turn his attention to lending upon the mortgage of houses and shops.

The return from these, securities at such an epoch as that which we are now surveying will not be large, but it will bo superior to the rate granted on deposits. Thin consideration is mentioned here incidentally only, as it will formally claim our attention in a succeeding chapter.

It is needless to add that thin time of high prices may afford the opportunity for an advantageous salt*, provided sound reasons induce the inventor to adopt thin course, and not simply the desire to realise a passing profit; frequent Helling and rebuying mean the speculative habit of mind, which, if encouraged, must ultimately conduct the inventor to misfortune. An explanatory remark may here bo interposed. Assume that a 4 per cent stock (redeemable) at par, or £100, in twenty years' time) lias advanced to the price of 10.5; and the question is, whether an investor should purchase at once or temporarily place the purchase-money, which is meantime idle, CHI deposit at 3 per cent. The 4 per cent at 105 signifies an actual roturn of £8 16.vf SW. per cent,

BO that at .first sight it would appear that by preferring the investment a gain of Hk &/. per ci'nt per annum would be Becured. c